

Hawaii Public Employees Health Fund's Long-Term Care Insurance Program

Underwritten by Hartford Life Insurance Company

Plan Design

The plan is a voluntary-pay, group long-term care insurance program designed according to the specifications described in the Request for Proposal No. HF-00-022. Hartford Life Insurance Company does not offer any other long-term care insurance programs in Hawaii.

Plan Summary

The plan offers a choice of either three year coverage or five year coverage, along with a choice of three *Maximum Daily Benefit Amounts*: \$100/day, \$150/day, or \$200/day. These daily amounts are payable for care received in a Nursing Facility.

The *Assisted Living Facility* benefit (which includes *Residential Care Homes*) is 75% of the *Maximum Daily Benefit Amount* and the *Home and Community Care* benefit is 50% of the *Maximum Daily Benefit Amount*.

The plan utilizes the "Pool of Dollars" concept. There is a *Total Coverage Amount* which is equal to the number of years of coverage times the maximum daily benefit. For example, a three year plan with a \$100/day *Maximum Daily Benefit* has a *Total Coverage Amount* of \$109,500 (3 years X 365 days a year X \$100 a day). Likewise, a five year plan with a \$200/day *Maximum Daily Benefit* has a *Total Coverage Amount* of \$365,000. Benefits will be available, up to the daily or lifetime maximums, as long as there is money remaining in the insured's "Pool of Dollars".

The additional benefits automatically included in the program are: *Waiver of Premium, Bed Reservation, Respite Care, Supportive Services, Care Advisory Services*, and the *Alternative Care Payment Provision*.

The optional benefits that are available are: *Inflation Protection, Return of Premium Upon Death* (prior to age 75), and the *Nonforfeiture Benefit*.

There is a 90 **calendar** day deductible period that must be met before benefits are paid. This deductible period has to be satisfied only once during the insured's lifetime.

Major Competitive Advantages

The plan is currently being offered on a *modified guaranteed-issue* basis for all Active Employees. Therefore, regardless of health, coverage will be issued for any employee who meets the following qualifications: has been employed at least 3 months, is working at least 50% full-time, does not require "hands-on" assistance of another person to perform their "activities of daily living", and has not required any long-term care during the 12 months prior to the application.

Premiums are based on applicant's age at the time the application is signed and are guaranteed for five-year increments.

PLANS AT A GLANCE

Total Coverage	<p>Applicant chooses either:</p> <ul style="list-style-type: none"> • A Three Year Plan or • A Five Year Plan
Daily Benefit Amounts	<p>Applicant chooses one of the daily benefit amounts:</p> <ul style="list-style-type: none"> • \$100/day for Nursing Home Care; \$75/day for Assisted Living Facility Care and Residential Care Homes; and \$50/day for Home Care; or • \$150/day for Nursing Home Care; \$112.50/day for Assisted Living Facility Care and Residential Care Homes; and \$75/day for Home Care; or • \$200/day for Nursing Home Care; \$150/day for Assisted Living Facility Care and Residential Care Homes; and \$100/day for Home Care. <p>NOTE: A semi-private room in a nursing home in Hawaii averages \$190.00 per day.</p>
Available Coverage	<p>This is a comprehensive plan that covers: Nursing Home Care, Home Health Care, Adult Day Care, Respite Care, Assisted Living Facilities, Residential Care Homes and Supportive Services.</p>
Deductible Period	<p>90 calendar days once per lifetime.</p>
Return of Premium Upon Death Benefit	<p>If death occurs at age 65 or earlier, 100% of premiums are returned, less any benefits paid. The amount of premium decreases by 10% each year after age 65, with no premium returned if death occurs at age 75 or later.</p> <p>The applicant may decline this benefit at the time of application.</p>
Nonforfeiture Benefit	<p>This benefit provides for continuation of your coverage on a limited basis if you elect to voluntarily terminate coverage after paying premiums for at least 36 months.</p> <p>The applicant may decline this benefit at the time of application.</p>
Inflation Protection Option	<ul style="list-style-type: none"> • Periodic Benefit Increases - at least every 3 years you will be offered an option to increase coverage for an additional premium amount; this option is automatically included in the Health Fund Program. • Automatic Inflation Protection - built-in 5% compounded annual increases in coverage with level premiums; the applicant may accept or decline this option at the time of application.
Advisory Services	<p>Available to help develop a plan of care and to identify quality providers.</p>
Benefit Eligibility	<p>Inability to perform 2 out of 6 Activities of Daily Living or severe cognitive impairment.</p>
Portability	<p>Coverage is fully portable to anywhere in the United States.</p>
Rates	<p>Rates are based on your age when your application is received. They are designed to remain level over your lifetime and can only be changed on a class basis and not because of an individual's age or illness.</p>
Guaranteed Renewable	<p>Your coverage can never be cancelled as long as you continue paying your premiums when due.</p>